GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:154
ANSWERED ON:17.10.2008
KISAN CREDIT CARDS
Rathod Shri Harisingh Nasaru

Will the Minister of FINANCE be pleased to state:

(a) the criteria adopted by various Banks for issuing Kisan Credit Cards to the farmers in the country at present;

(b) the details of the benefits available to the above card holders;

(c) whether Banks are creating unnecessary hurdles in providing Kisan Credit Cards to the poor;

(d) if so, the details of complaints received, and the action taken thereon, State-wise during the last year and the current year;

(e) whether Government proposes to review the norms/guidelines for easy availability of credit cards to the farmers; and

(f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) : The Salient features of the Kisan Credit Card (KCC) Scheme are as follows:
Eligible farmers to be provided with a KCC and a pass book or card-cum-pass book.
Revolving cash credit facility involving any number of drawals/repayments within the limit.
Limit to be fixed on the basis of operational land holding, cropping pattern and scale of finance.
Entire production credit needs for full year plus ancillary activities related to crop production to be considered while fixing limit.
Each drawal to be repaid within a maximum period of 12 months.
Conversion/reschedulement of loans also permissible in case of damage to crops due to natural calamities.

(b) : The following are some of the important benefits available to the KCC holders:
Access to adequate and timely credit to farmers
Minimum paper work and simplification of documentation for drawal of funds.
Flexibility to draw cash and buy inputs.
Assured availability of credit at any time enabling reduced interest burden for the farmer.
Sanction of the facility for 3 years subject to annual review and satisfactory operations and provision for enhancement.
Flexibility of drawals from a branch other than the issuing branch.

(c) & (d): No, Sir. All the banks have a robust internal grievance redressal mechanism to address all customer complaints including denial of KCC by the banks to the farmers. Various instructions have been issued to banks from time to time in this regard. Any genuine grievance is attended to by the concerned bank.

(e) & (f): The Government of India has recently advised the National Bank for Agriculture and Rural Development to review the existing norms/guidelines of KCC.